



Guidelines for: Healthcare Workforce Advancement Funding

Effective: 10/29/2022

These are guidelines only. If a proposal raises the need for further modifications, those variations will be accomplished on a case-by-case basis with direction from Executive Staff. **Unless modified by these guidelines, all other Employment Training Tax (Core) Program criteria apply.**

BACKGROUND

Governor Newsom's 22/23 budget, approved in AB 178, allocated to ETP \$25 million in general fund to train health and social workers. This allocation shall be known as the "Healthcare Workforce Advancement Funds" (HWAF) within ETP's programs. This funding is available for encumbrance or expenditure until June 30, 2027.

Funding appropriated from the general fund to ETP for the purpose of workforce training, which is funding from a source other than the Employment Training Fund, is defined as an "Alternative Funding Source" subject to Unemployment Insurance Code section 10214.6 that mandates guidelines for the purpose of supporting and implementing an Alternative Funding Source program.

The provisions within AB 178 state these funds *shall be made available to support the Employment Training Panel training health and social workers. This funding shall meet the requirements of "high road" as specified in Sections 14005 and 14013 of the Unemployment Insurance (UI) code which defines "high road" as a set of economic and workforce development strategies to achieve economic growth, economic equity, shared prosperity and a clean environment. The strategies include, but are not limited to, interventions that:*

- (1) Improve job quality and job access, including for women and people from underserved and underrepresented populations.*
- (2) Meet the skill and profitability needs of employers.*
- (3) Meet the economic, social, and environmental needs of the community.*

The definition and intent of "high road" will guide ETP to develop standards, procedures, and criteria as required by these funds. In addition, AB 178 requires job and wage commitments as a condition of funding.

There are a shortage of health and human service workers, including workers for entry-level positions such as Certified Nurse Assistants. The challenges to filling these positions with qualified workers is systemic. In addition, for those workers currently in entry-level positions, many who are women, persons of color, and immigrants, there is a greater need of structured support to build system-wide and strategic career pathways that lead to wage progression out of poverty and into earning livable wages. Due to limited access to resources, the worker shortage and career progression challenges are even greater for formally incarcerated women and workers in rural areas of the state. The ETP HWAF will provide a training incentive to reduce resource challenges as well as support the development of strategic system-wide career pathways, and wage progression for entry-level workers.

Consistent with Panel goals and identified workforce needs, the intended outcomes of HWAF are as follows:

- Build and create innovative and accessible opportunities to recruit, train, hire, retain, and advance a high road workforce as cited within UI code 14005.
- Support Pathways to quality jobs and build ladders of career advancement opportunity for entry-level and other workers in care, healthcare, and human service social work settings.
- Train workers for jobs critical to California economy & the growing demands of healthcare workers.
- Increase economic mobility across health/ direct care service sectors to increase inclusivity & diversity in higher paid jobs to achieve equity and wage advancement out of poverty.
- Meet the unique regional & community health & social service needs.
- Leverage a broad coalition of partners in workforce training & community planning.
- Serve new populations & health and human service employers not previously eligible for Core fund to expand workforce, build workforce skills, & support career advancement into more highly skilled & compensated roles.

The purpose of these guidelines is to support and implement the “Healthcare Workforce Advancement Funds” Alternative Funding Source program as approved AB 178. The intent of these guidelines is to also ensure that this Alternative Funding Source program builds upon existing ETP Core Program and is consistent with its mission to develop performance-based customized training that will, provide workers with secure jobs that pay good wages, and have opportunities for advancement.

In addition, these guidelines are consistent with the Panel's vision and goals to support future-oriented and sustainable economic development, as well as quality job training that is equitable and inclusive through strategic partnerships with business, labor, and government.

GUIDELINES

These funds will be distributed in conjunction with ETP's Core Program and will follow the same program standards with the exceptions listed below.

Funding

- Application funding requests accepted up to \$1 million.
- Dependent on remaining available funds, the Contract funding amount may be increased through an amendment.
- Current performance will be a condition of maintaining current funding or a consideration for additional funding.
- Contract conditions will include specified performance benchmarks to retain approved funding. Contracts not meeting the specified benchmarks may be subject to a reduction of Contract funding.
- HWAF will maintain ETP performance-based contract model. All performance terms and conditions specified in the Contract will need to be met to earn approved funding.

Funding Process

- Funding to commence in 2023.
- Multiple designated funding rounds until all funds have been dispersed and encumbered.
- A New HWAF funding application must be submitted or resubmitted with every funding round.
- Applications accepted only between open and closed application periods.

Contract Term

- Contract terms may be up to four (4) years.

Contractor Eligibility

- Health and human service employers not eligible for Employment Training Tax (Core) funds.

- Public entities, and nonprofit organizations that have elected an alternate method of financing its liability for unemployment insurance compensation, are eligible for HWAF. Eligibility for HWAF is not contingent upon an applicant's payment of the Employment Training Tax.
- Employers may apply for HWAF once per fiscal year. In addition, Contractors may apply for both an HWAF and another Alternative Fund in the same fiscal year. However, current and past performance will be a factor for funding consideration. The prohibition on concurrent enrollment remains.
- Multiple Employer Contractors (MEC) serving above employers may apply for a standard ETP Core and an Alternative Fund project (including HWAF) in the same fiscal year, however, past and current performance will be a funding consideration factor. The prohibition of concurrent enrollment remains.
- All other eligibility requirements apply.

Trainee Eligibility

- Trainees need not meet UI eligibility.
- Unemployed New Hire (at the start of training) and incumbent retrainee (including Job Creation – Retrainee) workers
- Entry-level & other workers in healthcare & human service / social work occupations inclusive of occupations which do not require a four-year degree with a demonstrated regional / local shortage of workers (i.e., direct care, long term care, behavioral health, allied health, health tech roles such as respiratory therapists, phlebotomists, tele-health workers, community health and social workers). Workplace settings include hospital, primary care, and community settings.
- Incidental Placement rules do not apply for MECs.
- All other eligibility requirements apply

Training

- Training that leads to career or wage progression.
- Training that leads to the retention of healthcare & behavioral care workers.
- Training that may lead toward licensing and certification.

Training Hours

- Applicants may request up to 400 hours of ETP funded training per trainee.
- May request a higher number of hours on a case-by-case with demonstrated justification.

Wages

- Special Employment Training (SET) wages do not apply.

Reporting

- Contractors will be required to report wages at enrollment prior to the start of training and at the end of the trainee retention period.
- Contractors will be required to report the starting occupation and the final occupation attained through ETP funded training.
- In the instance where ETP cannot verify trainee's wages through existing processes, ETP may request payroll information from the contractor.

Record Keeping

- All training hours must be reported in ETP systems within 90 days of the delivery of training.

Application Additional Requirements

- Job and wage commitments.
- Describe how training plan meets / demonstrates the above intended outcomes of HWAF.
- Demonstrated regional or local workforce needs for targeted occupations.
- Describe wage and occupational progression. Priority will be given to applicants with demonstrated wage progression of 10% or more from the start of training to the end of trainee retention period.
- Employer Diversity, Equity, and Inclusion plan or policy.

Miscellaneous

- If not otherwise specified in these guidelines, ETP program standards apply.